



May 14, 2001

TO: AGENCY DISTRIBUTION LIST

**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE
MAGNOLIA POWER PLANT PROJECT
APPLICATION FOR CERTIFICATION (01-AFC-6)**

In light of the acute electric system problems facing the State, several bills have been signed by the Governor that will improve the efficiency of the Energy Commission's review of power plant applications. The California Energy Commission adopted emergency siting regulations for the expediting of Applications for Certification (AFC) which implement Public Resources Code section 25550 (AB 970, Chapter 329, Statutes of 2000). These regulations require all local, regional, and State agencies to provide their final comments, determinations and opinions within 100 days of the filing date of the Application for Certification. As part of our review process, the staff of the Energy Commission works closely with local, State and federal agencies to ensure that all law, ordinances, regulations and standards are met and incorporated into the final decision of the Energy Commission. Governor Gray Davis' recently signed Executive Order D-26-01 directs state, regional, and local agencies to complete their respective reviews in an expeditious manner. To ensure that this occurs, we request your cooperation by completing your review and issuing any formal notices, findings, opinions (such as those contained in a final Determination of Compliance, wastewater discharge requirements, biological opinions, and land use decisions) within the 100-day requirement.

For federal agencies, Presidential George W. Bush recently directed all relevant agencies to expedite federal permit reviews with respect to the siting of new power plants in California. We appreciate your timely assistance in this matter.

On May 14, 2001, the Southern California Public Power Authority filed an Application for Certification (AFC) for the Magnolia Power Plant Project seeking approval from the California Energy Commission to construct and operate a 250 megawatt (MW) natural gas-fired, combined cycle power generating facility.

The Magnolia Power Plant Project will be a nominal 250-megawatt (MW), natural gas-fired combined cycle power plant. The applicant intends to locate the project on a 16 acre site in the City of Burbank at 164 West Magnolia Boulevard. The site is bound by Magnolia Blvd. on the north, Lake Avenue on the west, Olive Avenue on the south, and the Western Burbank Flood Control Channel, railway switching yards and Interstate 5 to the east of the proposed project.

The proposed plant will be constructed in Burbank, California at the existing Magnolia Power Station that is owned and operated by the City of Burbank Water and Power Department. Burbank currently operates and maintains existing gas fired combustion

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turbine units and gas fired steam units on this 16-acre site located at 164 West Magnolia Blvd in Burbank, California. Most of the auxiliary facilities for the project, such as water supply and disposal systems, site access, fuel supply, and facilities to connect electrical output to the grid are already in place with the existing facilities. Site improvements will include demolition of some of the older power generating and fuel storage facilities.

The proposed plant incorporates one combustion turbine electric generator (CTG), one heat recovery steam generator (HRSG), and one steam turbine electric generator (STG). Hot exhaust gas from the CTG will flow through the HRSG, which will extract heat from the exhaust to produce steam that powers the STG.

The project is estimated to have a capital cost of approximately \$225 million. The applicant plans to complete construction and start operation of the combined-cycle unit in the second quarter of 2004. During construction, up to approximately 330 construction jobs will be created over the 24-month construction schedule. A permanent professional workforce of approximately 33 people will operate the plant.

ENERGY COMMISSION'S FACILITY CERTIFICATION PROCESS

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process examines public health and safety, environmental impacts, and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

The first step in the review process is for Energy Commission staff to determine whether or not the AFC contains all the information required by our regulations. During this data adequacy phase, we request that you review the sections of interest to your agency and determine whether the major issues that would be of concern are identified. At this time, we are only concerned that such issues are disclosed, not necessarily that they be discussed in detail or resolved.

When the AFC is deemed data adequate, we will begin data discovery and issue analysis phases. These phases of the project usually occur during the first 60 days after the AFC is deemed adequate. During this time, a detailed examination of the issues will occur. There will be opportunities for your staff to confer with Energy Commission staff regarding issues of concern to your agency.

Over the 6-month licensing process, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The

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Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days, prior to the meeting.

AGENCY PARTICIPATION

We request that you provide any written comments you may have regarding the disclosure of potential issues of concern by June 12, 2001. Please provide your comments to James W. Reede, Jr., the Energy Commission staff's project manager for the Magnolia Power Plant Project. Your agency may also present its comments and recommendations in person at the Energy Commission's June 27, 2001 Business Meeting. The limited purpose of that meeting will be to determine whether the AFC is data adequate.

If the AFC is accepted as data adequate, your participation in the proceedings is encouraged and will consist of identifying and trying to resolve issues of concern to your agency. There may be specific requests for agency review and comment during the proceedings after the AFC has been determined to be data adequate. Local agencies may seek reimbursement for costs incurred in responding to these requests. However, this request for comments during data adequacy is not reimbursable under Commission guidelines. If you have questions or would like additional information on reimbursement or on how to participate in the Energy Commission's review of the project, please contact James W. Reede, Jr., Energy Facility Siting Project Manager, at (916) 653-1245, or via email at jreede@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available via the Energy Commission's Internet page at <http://www.energy.ca.gov/sitingcases/magnolia>.

Sincerely,

PAUL C. RICHINS
Energy Facilities Licensing Program Manager

Enclosure: AFC

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